

Message Text

LIMITED OFFICIAL USE

PAGE 01 MONTER 00450 192246Z
ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 EB-07 FRB-03 INR-07
NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02
LAB-04 EPG-02 SIL-01 OMB-01 /058 W
-----120825 192249Z /72

R 192000Z JUL 77
FM AMCONSUL MONTERREY
TO SECSTATE WASHDC 3225
USDOC WASHDC
INFO AMEMBASSY MEXICO

LIMITED OFFICIAL USE MONTERREY 0450

E.O. 11652: N/A
TAGS: EGEN, EINV, MX
SUBJECT: GRUPO ALFA BUYS A NEW FIBER FIRM

BEGIN UNCLASSIFIED:

1. MONTERREY'S GRUPO ALFA CONGLOMERATE ANNOUNCED ON JULY 16, 1977, ITS PURCHASE OF MAJORITY HOLDING IN FIBRAS QUIMICAS, A LARGE PRODUCER OF POLYESTER AND ACRYLIC FIBERS. FIBRAS QUIMICAS (FQ) WAS PREVIOUSLY OWNED BY MAJORITY MEXICAN PARTNER, CELULOSA Y DERIVADOS, AND MINORITY DUTCH PARTNER, ALGEMENE KUNSTZIJDE UNIE. RESPECTIVE HOLDINGS WERE 60 AND 40 PERCENT OF SHARES. MINORITY DUTCH OWNERSHIP WILL PROBABLY REMAIN UNCHANGED, DESPITE CHANGE IN MAJORITY MEXICAN PARTNER.

2. CONGEN MONTERREY UNDERSTANDS THAT THIS ACQUISITION BY ALFA AND DIVESTITURE BY CYDSA REPRESENTS A MOVE TO RATIONALIZE BOTH FIRMS' RANGE OF INDUSTRIAL ACTIVITIES. ALFA ALREADY HAS MAJORITY INTEREST IN NYLON DE MEXICO (WITH DUPONT IN A MINORITY POSITION) WHICH PRODUCES A LINE OF FIBER PRODUCTS VERY SIMILAR TO THAT OF FIBRAS QUIMICAS. CONSOLIDATION OF FQ AND NYLON WITHIN GRUPO ALFA CAN BE EXPECTED TO REDUCE COSTS THROUGH REDUCTION IN STAFFING AND ELIMINATION OF DUPLICATION (READ LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MONTER 00450 192246Z

COMPETITION) IN THEIR PRODUCT LINES. MOTIVE OF CYDSA IS MORE CONCENTRATED SPECIALIZATION IN STRICTLY PETROCHEMICAL PRODUCTS.

END UNCLASSIFIED

3. BEGIN LIMITED OFFICIAL USE: OUR CONTACTS AMONG DUPONT REPRESENTATIVES IN NYLON DE MEXICO CONFIDE THAT THEY HAD BEEN

AWARE OF RUMOR AMONG TOP ALFA MANAGEMENT ABOUT POSSIBLE ACQUISITION OF FQ FOR SOME TIME. DUPONT ITSELF APPEARS TO HAVE HAD LITTLE OR NO ROLE IN THIS DECISION PROCESS. NEVERTHELESS, DUPONT HAS BEEN UNHAPPY ABOUT WEAK EARNINGS OF NYLON DE MEXICO AND WOULD WELCOME ANY COST SAVINGS THAT RESULT FROM CONSOLIDATION. THEY ARE STILL UNSURE, HOWEVER, AS TO PRECISE NATURE OF RELATIONSHIP THEY WILL HAVE WITH DUTCH MINORITY PARTNER IN FQ AND THEY ADMIT SOME MISGIVINGS ABOUT SHARING DUPONT TECHNOLOGY WITH A DUTCH FIRM WHICH COMPETES WITH THEM IN INTERNATIONAL MARKETS.
LAMBERT

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CHEMICAL INDUSTRY, CONSORTIUMS, BUSINESS FIRMS, STOCKS (SECURITIES), FIBERS
Control Number: n/a
Copy: SINGLE
Sent Date: 19-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MONTER00450
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770257-0016
Format: TEL
From: MONTERREY
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770743/aaaabkxq.tel
Line Count: 73
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f9679a67-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Apr-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1819540
Secure: OPEN
Status: NATIVE
Subject: GRUPO ALFA BUYS A NEW FIBER FIRM BEGIN UNCLASSIFIED
TAGS: EGEN, EINV, MX, FIBRAS QUIMICAS
To: STATE COM
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/f9679a67-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009